

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 316 – SB 320

February 16, 2009

SUMMARY OF BILL: Expands HOPE Scholarship eligibility to entering freshmen who have graduated from an accredited boarding school located outside of Tennessee.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$22,000 in FY09-10 and by \$24,000 in FY10-11.

Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), there are 45 students currently attending school that qualified for the HOPE Scholarship and attended a boarding school accredited by a regional accrediting association.
- TSAC projects 55 students for FY09-10 year under current law.
- This bill eliminates the regional accrediting requirement and requires boarding school students to qualify based on their ACT score exclusively. As a result, TSAC projects a 10 percent increase of eligible boarding school students for FY09-10 (6 additional students).
- Five of the six additional students attend four-year institutions.
- One of the six additional students attends a two-year institution.
- Students attending four-year institutions receive a \$4,000 HOPE award.
- Students attending two-year institutions receive a \$2,000 HOPE award.
- The increase of expenditures from lottery proceeds for FY09-10 is estimated to be \$22,000 $[(5 \times \$4,000) + (1 \times \$2,000) = \$22,000]$.
- TSAC projects one additional student for FY10-11.
- This additional student attends a two-year institution.
- The increase of expenditures from lottery proceeds for FY10-11 is estimated to be \$24,000 $[(5 \times \$4,000) + (2 \times \$2,000) = \$24,000]$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc